

RATTET, PASTERNAK & GORDON-OLIVER, LLP
Proposed Attorneys for the Debtor
550 Mamaroneck Avenue
Harrison, New York 10528
(914) 381-7400

JONATHAN S. PASTERNAK
ERICA R. FEYNMAN

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11
Case No. 10 B 10956()

NIGHTLIFE ENTERPRISES, L.P.
d/b/a China Club,

Debtor.

-----X

**DECLARATION OF DANIEL FRIED
PURSUANT TO LOCAL BANKRUPTCY RULE 1007-2**

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

DANIEL FRIED, being duly sworn, deposes and says:

1. I am the president of Late Night Management, Inc., the sole general partner of Nightlife Enterprises, L.P. d/b/a China Club (the "Debtor"), a New York limited partnership.
2. Part I of this Affidavit describes the Debtor's business and circumstances leading to the commencement of the chapter 11 case. Part II provides the balance of the information required by Local Bankruptcy Rule 1007-2.

PART I
BACKGROUND

Local Rule 1007-2(a)(1)

3. The Debtor owns and operates "China Club", a well known nightlife and entertainment club in the Manhattan Theatre district located at 268 W. 47th Street, New York, New York 10036 (the "Premises").

4. The Debtor formed in 1996, when it raised significant capital and built out the Premises, which opened for business in 1997. The Debtor offers nightclub, entertainment, catering and corporate event services on the Premises.

5. The Debtor began to experience a significant downturn in business in late 2007 due to the overall downturn in the economy, compounded by the layoffs at Lehman Brothers, many of whose employees were regular customers at the club.

6. Concomitantly, the Debtor's catering and corporate event business also greatly suffered from the economic downturn and recession plaguing Wall Street and Manhattan in general.

7. In addition to the downturn and drastic reduction in business, the club has continuously needed renovation and upkeep.

8. To that end, the Debtor was required to borrow \$1,000,000 for renovations from 2 separate groups of lenders in 2009, which loans remain due and outstanding to date.

9. Compounding problems is a pending lawsuit brought by a party claiming to be a partial assignee of the Debtor's deceased limited partner, Michael Mathias, seeking significant recovery on account of such alleged limited partner interest.

10. Notwithstanding the continued economic downturn, the Debtor believes its business can once again be viable and profitable and desires to reorganize its affairs through the protections afforded under Chapter 11 of the Bankruptcy Code.

PART II

LOCAL RULE 1007-2(a)

Local Rule 1007-2(a)(2)

11. This case was not originally commenced under Chapter 7 or 13 of the Bankruptcy Code.

Local Rule 1007-2(a)(3)

12. No committee was organized prior to the order for relief being entered.

Local Rule 1007-2(a)(4)

13. A list of the Debtor's twenty largest unsecured creditors is annexed hereto as Exhibit "A".

Local Rule 1007-2(a)(5)

14. A list of the Debtor's five largest secured creditors is annexed hereto as Exhibit "B".

Local Rule 1007-2(a)(6)

15. A summary of the Debtor's assets and liabilities is annexed as Exhibit "C".

Local Rule 1007-2(a)(7)

16. The Debtor does not have any publicly held shares of stock, debentures or other securities.

Local Rule 1007-2(a)(8)

17. None of the Debtor's property is in the possession or custody of any custodian, public officer, mortgagee, pledge, assignee of rents, secured creditor, or agent for such entity.

Local Rule 1007-3(a)(9)

18. The Debtor operates its business at 268 W. 47th Street, New York, NY 10036.

Local Rule 1007-2(a)(10)

19. The Debtor's assets, books and records are located at 268 W. 47th Street, New York, NY 10036.

Local Rule 1007-2(a)(11)

20. A schedule of pending litigation involving the Debtor is annexed hereto as Exhibit "D".

Local Rule 1007-2(a)(12)

21. The Debtor's senior management is comprised of Daniel Fried and Michael Barrett, who are the sole directors and officers of Late Night Management, Inc., the Debtor's sole general partner.

Local Rule 1007-2(b)(1)

22. The estimated weekly gross payroll to employees (exclusive of officers, directors, stockholders and partners) for the thirty (30) day period following the filing of the chapter 11 petition is \$20,000.

Local Rule 1007-2(b)(2)

23. The estimated amount to be paid for services to the officers of the Debtor's general partner for the thirty (30) day period following the filing of the Chapter 11 petition is \$18,000.

Local Rule 1007-2(b)(3)

24. A schedule of the Debtor's estimated receipts or disbursements during the next thirty (30) days is annexed hereto as Exhibit "E."

Conclusion

25. In addition to the foregoing, a copy of the partner resolution authorizing the filing of the instant Chapter 11 petition is annexed as Exhibit "F".

26. A list of all general and limited partners is annexed as Exhibit "G".

27. The Debtor believes it is in the best interests of all of its creditors that it be afforded an opportunity to reorganize its obligations in Chapter 11.

28. The needs and interests of the Debtor and its creditors will best be served by the Debtor's possession of its assets and management of its affairs as a Debtor-in-Possession under Chapter 11 until confirmation of a reorganization plan.

Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury that the foregoing is true and correct.

Dated: New York, New York
February 15, 2010

/s/ _____
Daniel Fried, President
Late Night Management, Inc.
General Partner

EXHIBIT "A"

TWENTY LARGEST UNSECURED CREDITORS*

* List does not include insiders within the meaning of 11 U.S.C. Section 101(14)

SEE ATTACHED

United States Bankruptcy Court
Southern District of New York

In re Nightlife Enterprises, L.P.

Debtor(s)

Case No.

Chapter

11

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	(5) <i>Amount of claim [if secured, also state value of security]</i>
New Gold Equities Corp. c/o BLDG Management 417 Fifth Avenue, 4th Floor New York, NY 10016	New Gold Equities Corp. c/o BLDG Management 417 Fifth Avenue, 4th Floor New York, NY 10016			419,359.00
Times Square Events Corp. 3 Consuelo Place Oakdale, NY 11769	Times Square Events Corp. 3 Consuelo Place Oakdale, NY 11769		Contingent Disputed	335,000.00
Biancone & Willinsky, LLP 230 Park Avenue, Ste 606 New York, NY 10169	Biancone & Willinsky, LLP 230 Park Avenue, Ste 606 New York, NY 10169			127,883.21
NYS Department of Tax & Financ Bankruptcy/Special Procedures P.O. Box 5300 Albany, NY 12205-0300	NYS Department of Tax & Financ Bankruptcy/Special Procedures P.O. Box 5300 Albany, NY 12205-0300			120,000.00
AFCO P.O. Box 360572 Pittsburgh, PA 15250	AFCO P.O. Box 360572 Pittsburgh, PA 15250			96,272.00
Chase 800 Brooksedge Blvd Columbus, OH 43081	Chase 800 Brooksedge Blvd Columbus, OH 43081	Loan		61,094.00
Premium Supply Co., Inc. 960 Grand Blvd Deer Park, NY 11729	Premium Supply Co., Inc. 960 Grand Blvd Deer Park, NY 11729			60,042.66
Zaremba Brownell & Brown 40 Wall Street, 28th Fl. New York, NY 10005	Zaremba Brownell & Brown 40 Wall Street, 28th Fl. New York, NY 10005			55,131.31
Rothstein, Kass & Company, PC 4 Becker Farm Road Roseland, NJ 07068-1785	Rothstein, Kass & Company, PC 4 Becker Farm Road Roseland, NJ 07068-1785			38,353.00
M&M Sanitation Corp. P.O. Box 497 Kearny, NJ 07032	M&M Sanitation Corp. P.O. Box 497 Kearny, NJ 07032			28,825.00

Debtor(s) _____

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
(Continuation Sheet)

(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	(5) <i>Amount of claim [if secured, also state value of security]</i>
Supreme Security Systems, LTD 42-09 47th Avenue, Ste 4L Long Island City, NY 11104	Supreme Security Systems, LTD 42-09 47th Avenue, Ste 4L Long Island City, NY 11104			21,090.35
BMI General Licensing P.O. Box 406741 Atlanta, GA 30384-6741	BMI General Licensing P.O. Box 406741 Atlanta, GA 30384-6741			20,874.00
Universal X Sports, Ltd 309 E. 9th Street #5-B New York, NY 10003	Universal X Sports, Ltd 309 E. 9th Street #5-B New York, NY 10003			20,593.75
Equity Investors Corp. 1040 Avenue of the Americas 18th Floor New York, NY 10018	Equity Investors Corp. 1040 Avenue of the Americas 18th Floor New York, NY 10018			18,750.00
Steven Pevner The Saint At Large 382 Lafayette Street, 8th Fl. New York, NY 10003	Steven Pevner The Saint At Large 382 Lafayette Street, 8th Fl. New York, NY 10003			14,200.00
Vend Lease Company, Inc. 8100 Sandpiper Circle, Ste 300 Baltimore, MD 21236	Vend Lease Company, Inc. 8100 Sandpiper Circle, Ste 300 Baltimore, MD 21236			13,468.00
Fairmont Insurance Brokers Ltd Fairmont Insurance 1600 60th Street Brooklyn, NY 11204	Fairmont Insurance Brokers Ltd Fairmont Insurance 1600 60th Street Brooklyn, NY 11204			12,003.00
GMAC P.O. Box 9001948 Louisville, KY 40290-1948	GMAC P.O. Box 9001948 Louisville, KY 40290-1948			11,354.00
Pest Away Exterminating, inc. 2067 Broadway Room 68 New York, NY 10023	Pest Away Exterminating, inc. 2067 Broadway Room 68 New York, NY 10023			9,595.58
Unitec Elevator Company P.O. Box 33106 Newark, NJ 07188-0130	Unitec Elevator Company P.O. Box 33106 Newark, NJ 07188-0130			9,218.74

In re **Nightlife Enterprises, L.P.**

Debtor(s)

Case No. _____

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
(Continuation Sheet)

**DECLARATION UNDER PENALTY OF PERJURY
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the President, Late Night Management, Inc. G.P. of the partnership named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date **February 24, 2010**

Signature **/s/ Daniel Fried**

Daniel Fried

President, Late Night Management, Inc. G.P.

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C. §§ 152 and 3571.

EXHIBIT "B"

FIVE LARGEST SECURED CREDITORS

S& D Motor Corp. (Disputed)	\$500,000
Daniel Fried, Michael Barrett and Kevin Berg as participants	\$500,000
NYS Dept. of Taxation and Finance	\$120,000
Karen Polo	\$50,000
Kenneth Fried	\$25,000

EXHIBIT "C"

SUMMARY OF ESTIMATED ASSETS AND LIABILITIES AS OF FEBRUARY 15, 2010

ASSETS:

Leasehold and Improvement	\$2,000,000
Cash On Hand	\$15,000
Due From Caterer	\$10,000
Security Deposits	\$65,000
TOTAL ASSETS:	2,090,000

LIABILITIES:

Secured Notes Payable	\$1,100,000
Sales Tax Payable	\$120,000
Due To Landlord	\$400,000
Unsecured Notes Payable	\$200,000
Accounts Payable – Vendors	\$700,000
Accounts Payable – Disputed	\$1,800,000
Disputed limited Partner Claim	\$1,000,000
Accrued Expense – Catering Entity	\$330,000
Accrued Expenses – Professional Fees	\$130,000
Subordinated Notes – Limited Partners	\$1,110,000
TOTAL LIABILITIES:	\$6,880,000

EXHIBIT "D"

PENDING LAWSUITS

Tatalovic v. Nightlife Enterprises, L.P., Et Al.,
Index No. 102297/06, Supreme Court, New York County

Coulter, Et Al. v. China Club (sic), Et Al.,
Index No. 41896/07, Supreme Court, Kings County

Delacruz, Et Al. v. Nightlife Enterprises, L.P., Et Al.,
Index No. 102532/07, Supreme Court, New York County

Fernandez v. Nightlife Enterprises, L.P., Et Al.,
Index No. 118261/06, Supreme Court, New York County

Gola v. China Club, Et Al.
Index No. 31303/08, Supreme Court, Kings County

Gonzalez v. Nightlife Enterprises,
Index No. 111248/09 Supreme Court, New York County

Harris v. IG Greenpoint Corp, Et Al.
Index No. 100776/07
Supreme Court, New York County

Cuttonaro v. Nightlife Enterprises Inc.
Index No.94/09, Supreme Court, Queens County

EXHIBIT "E"
30 DAY ESTIMATED RECEIPTS AND DISBURSEMENTS

RECEIPTS:

Club Revenue	\$140,000
Catering Revenues	\$50,000
TOTAL RECEIPTS:	\$190,000

DISBURSEMENTS:

Rent	\$37,000
RE Taxes	\$13,000
Sales Taxes	\$10,000
Non-Officer Payroll (gross)	\$20,000
Officer Payroll (gross)	\$18,000
Utilities	\$8,000
Liquor Supplies	\$10,000
Catering Related Supplies/Expenses	\$50,000
Equipment Leases	\$5,000
Car Leases, Insurance, Garage	\$4,100
General Insurance	\$12,000
Health Insurance	\$4,000
TOTAL DISBURSEMENTS:	\$191,100

EXHIBIT "F"

PARTNER RESOLUTION

The undersigned, the president of Late Night Management, Inc., the sole general partner of Late Night Management, Inc., the general partner of Nightlife Enterprises, L.P., a limited partnership organized under the laws of the State of New York (the "Company"), does hereby certify that at a duly called meeting of the Board of Directors held on the 15th day of January, 2010, the following resolutions were adopted, and they have not been modified or rescinded, and are still in full force and effect:

"RESOLVED, that in the judgment of the Company, it is desirable and in the best interests of the Company, that its officers be empowered to cause a petition under Chapter 11 of the Bankruptcy Code to be filed by the Company upon such date, and in the event, in their discretion, such action should become necessary for the protection of the Company and the preservation of its assets without further notice to the officers of the Company; and it is further

RESOLVED, that the Officers of the Company, or any of them, be and they hereby are authorized on behalf of the Company to execute and file all petitions, schedules, lists and other papers and to take any and all action which they may deem necessary or proper in connection with such proceedings under Chapter 11, and in that connection to retain and employ Rattet, Pasternak & Gordon-Oliver, LLP, and to retain and employ all assistance by other legal counsel or otherwise which they may deem necessary or proper with a view to the successful conclusion of such reorganization case."

IN WITNESS WHEREOF, I have hereunto set my hand, this 22nd day of January, 2010.

/s/
Daniel Fried, President
Late Night Management, Inc., General Partner

EXHIBIT "G"

Schedule of Equity Owners

GENERAL PARTNER:

Late Night Management, Inc.
(Shareholders: Daniel Fried – 50% and Michael Barrett – 50%)

LIMITED PARTNERS:

Late Night Management, Inc. – 85%
Estate of Michael Mathias – 10%
Kevin Berg – 5%
